

SEP 12 2001

FILED

BEFORE THE DEPART OF INSURANCE  
STATE OF NEBRASKA

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

PETITIONER,

VS.

DOUGLAS K. LARKIN, and LARKIN  
INSURANCE SERVICE, INC.,

RESPONDENT.

CONSENT ORDER

CAUSE NO. A-1426

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Linda R. Sanchez-Masi, and Douglas K. Larkin, and Larkin Insurance Service, Inc., ("hereinafter collectively referred to as Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb.Rev.Stat. §44-101.01 and §44-4001, et seq., and §44-1525.
2. Respondent was licensed a resident insurance agent, broker and agency under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a Petition and Notice of Hearing styled State of Nebraska Department of Insurance vs. Douglas K. Larkin, and Larkin Insurance Service, Inc., on January 31, 2001. An Amended Petition and Notice of Hearing were subsequently filed on April 26, 2001. A Second Amended Petition and Notice of Hearing were filed on May 14, 2001. The aforementioned petitions and notices of hearing were served upon Respondent at Respondent's address registered with the Department by certified mail, return receipt requested.

2. The Second Amended Petition alleges that Respondent violated Neb.Rev.Stat. §44-4028 (2), (6), (11), §44-4038, and §44-1525 (1) (f), as a result of the following conduct:

A. C. & C., Inc., and C. & C. Enterprises

(1) C. & C., Inc., and C. & C. Enterprises (collectively referred to as "C. & C.") of North Platte, NE, were clients of Respondent on or about August 16, 2000.

(2) On or about August 16, 2000, C. & C. remitted its check no. 18877, payable to National Farmers Union Property and Casualty Companies ("National Farmers Union"), in the amount of \$1,807, to Respondent for the down payment of an insurance premium.

(3) On or about August 25, 2000, Respondent deposited check no. 18877, in a bank account of Larkin Insurance Service, Inc.

(4) On or about August 21, 2000, C. & C. remitted its check no. 1694, payable to Larkin Insurance, in the amount of \$7,454, for the down payment of an insurance premium.

(5) On or about August 21, 2000, Respondent deposited check no. 1694, in a bank account of Larkin Insurance Service, Inc.

(6) Respondent did not remit the above referenced premium amounts to National Farmers Union for insurance coverage for C. & C.

(7) Respondent did not deliver a policy of insurance to C. & C.

(8) Respondent created fraudulent insurance certificates to show proof of insurance coverage for C. & C.

(9) National Farmers Union did not receive an insurance application for C. & C. from Respondent on or after July 1, 2000.

(10) National Farmers Union did not issue a commercial insurance policy to C. & C. on or after July 1, 2000.

B. Central Nebraska Packing, Inc.

(1) Central Nebraska Packing, Inc., ("Central Nebraska") of Omaha Nebraska, was a client of Respondent on or about September 19, 2000.

(2) On or about September 19, 2000, Hartford Fire Insurance Company sent check no. 17091098, payable to Central Nebraska, in an amount of \$1,860, to Respondent.

(3) Respondent deposited the aforementioned check in Respondent's Hersey State Bank account.

(4) Respondent did not remit \$1,860, to Central Nebraska, on or after September 19, 2000.

(5) Respondent did not remit \$1,860, to Hartford Fire Insurance Company on or after September 19, 2000.

C. Erickson Furniture, Inc.

(1) Erickson Furniture, Inc. ("Erickson"), was a client of Respondent on or about July 25, 2000.

(2) On or about September 14, 2000, Iowa Mutual Insurance Company ("Iowa Mutual") sent Respondent a claim draft made payable to Erickson's Furniture, Inc., in an amount of \$3,780.73.

(3) Respondent deposited the aforementioned draft in a bank account of Larkin Insurance Service, Inc., on or about September 20, 2000.

(4) Respondent did not remit the \$3,780.73, owed by Iowa Mutual to Erickson on or after September 20, 2000.

(5) On or about February 27, 2001, Respondent remitted to Iowa Mutual, check no. 1034, in an amount of \$5,123, to cover amounts owed to Iowa Mutual,

including the amount of the \$3,780.73 Iowa Mutual claim draft, which had been issued to Erickson's Furniture, Inc.

D. North Platte Airport Authority

(1) On or about April 14, 2000, the North Platte Airport Authority ("Airport") was a client of Respondent.

(2) On or about April 14, 2000, the Airport issued check no. 31215, to Respondent, in an amount of \$8,250, in order to renew the Airport's airport operators' liability insurance.

(3) Respondent deposited the above-mentioned check in Respondent's account.

(4) Respondent did not timely remit the Airport's renewal premium to the insurer.

(5) On or about September 1, 2000, the insurer sent the Airport a cancellation notice for non-payment of premium.

(6) On or about September 5, 2000, Respondent sent the aforementioned premium payment in an amount of \$7,672.50, to a broker. Respondent's payment was returned due to non-sufficient funds.

(7) On or about September 9, 2000, Respondent wired \$3,600, to the aforementioned broker as partial payment of the Airport's renewal premium. Respondent owes a balance of \$4,072.50, to the broker.

(8) On or about August 13, 1999, the Airport issued check no. 30561, to Respondent in an amount of \$2,813, to renew the Airport's public officials liability coverage.

(9) On or about August 16, 1999, Respondent deposited the above mentioned check in a bank account of Larkin Insurance Service, Inc.

(10) On or about October 20, 1999, the insurer sent Respondent a notice of cancellation advising that the Airport's public officials liability insurance policy would be cancelled on or about November 4, 1999, for non-payment of premium.

(11) The Airport's public officials liability insurance policy was cancelled for non-payment of premium.

3. Respondent was informed of his right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving his right to a public hearing, Respondent also waives his right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent admits the allegations contained in the Petition and restated in Paragraph #2 above.

#### CONCLUSIONS OF LAW

Respondent's conduct as alleged above constitutes a violation of Neb.Rev.Stat. §44-4028 (2), (6) and (11), §44-4038, and §44-1525 (1)(f).

#### CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent, Douglas K. Larkin and Larkin Insurance Service, Inc., that Respondent shall immediately surrender the agent's and broker's licenses issued by the Department to Douglas K. Larkin, and the agency license issued to Larkin Insurance Service, Inc., by the Department, to the Department of Insurance, and that Respondent shall pay a \$500 administrative fine to the Nebraska Department of Insurance, thirty (30) days from the date the Director of Insurance signs this Consent Order. It is also ordered that Respondent, Douglas K. Larkin, not make application to the Nebraska Department of Insurance for an agent's or broker's license for a period of three (3) years, commencing on the date the Director of Insurance signs this Consent Order, and furthermore, that Respondent, Larkin Insurance Service, Inc., not engage in any insurance until such time as a

designated agent has been appointed, and the insurance agency's license has been reinstated.

The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling the Respondent or the Department to make application for such further orders as may be necessary.

In witness of their intention to be bound by this Consent Order, each party executed this document by subscribing his or her signature below.

Linda R. Sanchez-Masi

Representative for Nebraska  
Department of Insurance  
941 "O" Street, Suite 400  
Lincoln, NE 68508  
(402) 471-2201

09-12-01

Date

Douglas K. Larkin  
Respondent

9-10-01

Date

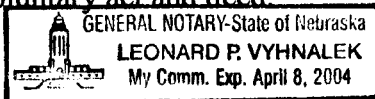
[Signature]  
Attorney for Respondent

9-10-01

Date

State of Nebraska )  
County of Lincoln ) ss.

On this 10<sup>th</sup> day of September, 2001, Douglas K. Larkin personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.



[Signature]  
Notary Public

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Douglas K. Larkin, Cause No. A-1426

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE



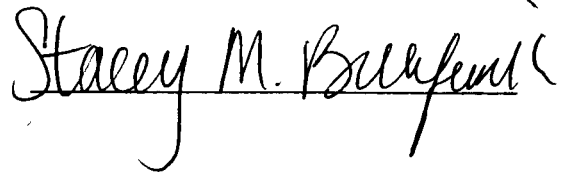
L. TIM WAGNER  
Director of Insurance

9/12/01

Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent at Respondent's registered address of 720 East 4<sup>th</sup> Street, P.O. Box 98, North Platte, NE 69101 by certified mail, return receipt requested, and via facsimile on this 12<sup>th</sup> day of September, 2001.



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